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News Release

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Three men sentenced for violating U.S. export regulations, sending material to China

Three men were sentenced today in federal court for exporting high-modulus, carbon-fiber material to the China Academy of Space Technology in violation of United States export laws and regulations.

In Minneapolis, United States District Court Chief Judge Michael Davis sentenced Jian Wei Ding, 51, of Singapore, to 46 months in prison and two years of supervised release. Kok Tong Lim, 37, of Singapore, was sentenced to just over one year of confinement and two years of supervised release because of his cooperation in the investigation. And, Ping Cheng, 46, of Manhasset, New York, was sentenced to one year of probation because he, too, agreed to cooperate with the investigation. All three men were sentenced on one count of conspiracy to violate Export Administration Regulations. They pleaded guilty to the charge earlier this year after being indicted on October 28, 2008.

According to their plea agreements, the defendants conspired to violate U.S. Export Administration Regulations between March 23, 2007, and April 6, 2008, by exporting and attempting to export high-modulus carbon-fiber material without an appropriate license. For national security, nuclear proliferation and antiterrorism reasons, the U.S. requires a license to export that material because it has applications for rockets, satellites, spacecraft and uranium enrichment.

"Exporting sensitive U.S. technology and materials is controlled to protect national security," said John Morton, Department of Homeland Security Assistant Secretary for Immigration and Customs Enforcement ("ICE"). "Illegally exporting materials used to build rockets and satellites is tantamount to a security breach at our borders. ICE uses all its investigative authorities to ensure that such materials and technologies do not fall into the wrong hands."

To further the conspiracy, Ding exercised control over several Singaporean import and export companies, one of which was in the business of acquiring high-technology items for its customers. One of those customers was the China Academy of Space Technology, which oversees research on satellite systems for the People's Republic of China.

Ding's role in the conspiracy was to manage the import and export companies, maintain a relationship with the Chinese users of the carbon-fiber material, and provide the money required to purchase that material. Cheng's role was to act as the U.S. agent for Ding's companies, and Lim's role was to reach out to U.S. suppliers of high-technology items.

During the course of the conspiracy, the defendants unknowingly worked with an undercover Minnesota company that purported to be a supplier of aerospace commodities. On two separate occasions, Ding sent Cheng to Minnesota to inspect material at that company. Then, on April 7, 2008, after purchasing the material, Ding instructed Cheng to export it to Singapore and Hong Kong without the required export license.

Cheng corroborated Ding's account by admitting that on May 18, 2007, he traveled from New York to Minnesota to inspect 104 kilograms of carbon-fiber material prior to its final acceptance by Ding's companies. Cheng also admitted that on June 4, 2007, he directed the transfer of that material from Minnesota to New York, where it was to be stored before being illegally exported. In addition, Cheng admitted he again came to Minnesota on July 13, 2007, to inspect 211 kilograms of carbon-fiber material and, on August 3, 2007, ordered it transported to New York. Finally, Cheng admitted he ordered the exportation of the 211 kilograms of carbon-fiber material to Hong Kong on April 13, 2008; and that on April 16, 2008, he ordered the exportation of the 104 kilograms of carbon-fiber material to Singapore.

For his part, Lim admitted urging the undercover Minnesota company to supply Ding's companies with the carbon-fiber material.

Following the District Court's action this afternoon, Kevin Delli-Colli, Acting Assistant Secretary of Commerce for Export Enforcement, said, "Today's sentencing sends a strong message that we will pursue companies and individuals who evade our nation's export control laws, and we will hold them accountable for their actions."

This case was the result of an investigation by the U.S. Department of Homeland Security, Immigration and Customs Enforcement; and U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement. It was prosecuted by Assistant U.S. Attorney David J. MacLaughlin.